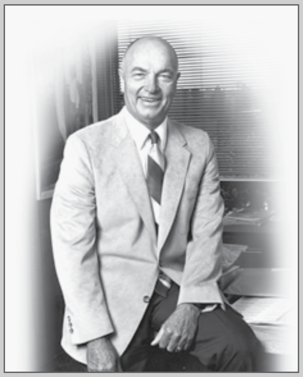
INTRODUCING THE FUNDAMENTALS OF FINANCIAL PLANNING

A guide to getting started toward a personal financial plan.

RAYMOND JAMES®



1962 Bob James founds Robert A. James Investments.

RAYMOND JAMES: THE PIONEER OF FINANCIAL PLANNING

Back in 1962, when other firms were focused on buying and selling securities, our founder, Bob James, realized there should be more to a financial services firm than just making investment transactions. He advocated a more thoughtful and deliberate approach to helping clients manage a wide range of matters that impact their lives. So, Bob made his vision a reality by creating a different kind of financial services firm – one that focused on client goals rather than sales quotas.

Today, Raymond James continues to steadfastly pursue Bob James' vision. Everything we do is unflinchingly client-focused. Our unique culture of independence gives our advisors the complete freedom to offer objective, unbiased advice, so they can meticulously tailor a long-term plan based solely on a client's well-being and specific goals.

Following in Bob's footsteps, your Raymond James advisor is able to give you the close, personal attention you need to help you make the right decisions for your situation – and feel confident you have. That's because he or she has access to comprehensive support and a full range of resources from a global – and yet highly personal – financial services firm.

At Raymond James, we view creating a financial plan as an opportunity to get to know you personally. We want to celebrate your accomplishments, your vision and your commitment to creating a tailored plan for your future. It's a positive step toward financial independence, and we want to be with you on that journey every step of the way.

WHY YOU NEED A FINANCIAL PLAN

Life is full of competing priorities – some you plan for and some you don't. You probably have an idea of the things you want to do that will require money. Things like buying a house, having children, paying for their educations and weddings, and having enough money for a comfortable retirement. But unexpected expenses like a broken-down car or hospital bill can strain anyone's finances. A financial plan can put you in control so you stay on track regardless of what life throws at you – saving and investing in the types of financial vehicles that are specially designed for your objectives.

Working with a financial advisor can help you build a foundation so that life doesn't take you – or at least your finances – by surprise. A financial advisor can advise you when there are changes in the markets, tax legislation or the economy, and can help you adjust accordingly. An advisor you trust, and a financial plan you create together, will help guide you through the ups and downs to stay on track toward your goals.

IT IS IMPORTANT TO MATCH YOUR GOALS WITH APPROPRIATE PLANNING STRATEGIES AND INVESTMENT VEHICLES.

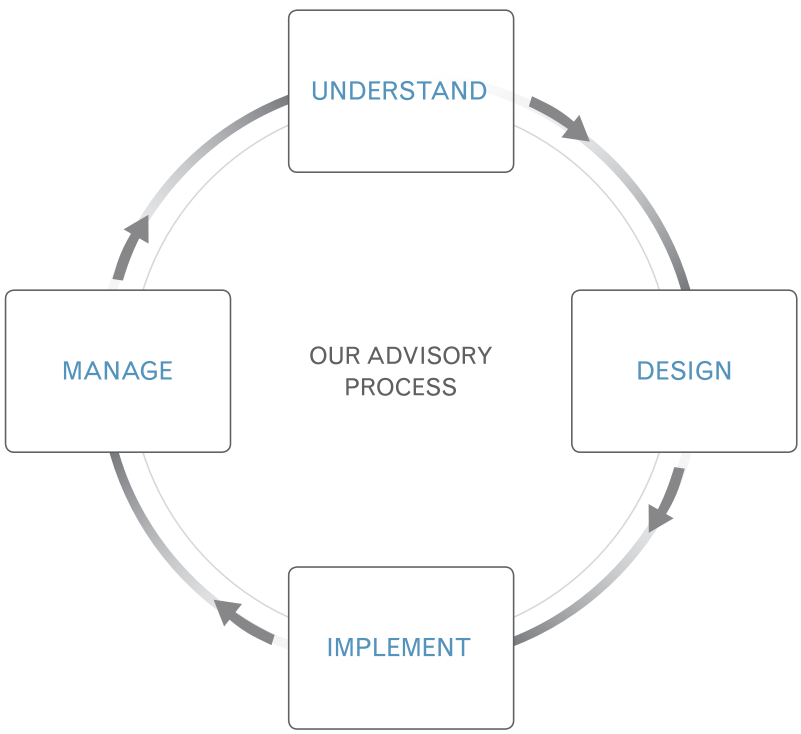
COMMON GOALS	TIME FRAME	PLANNING STRATEGIES AND VEHICLES
Saving for a wedding	Short-term	You may consider a savings account or other low-risk accounts.
Saving for a down payment for a home	Short-to-mid term	More conservative fixed interest rate accounts with appropriate maturities may be the best fit.
Investing to fund college	Mid-to-long term	Depending on your child's age, slightly more risky investments may be appropriate to provide greater growth potential. Tax-advantaged savings vehicles are also available when saving for education expenses.
Investing for retirement	Long-term	Your portfolio has more time to weather the ups and downs of the markets, making riskier investments more suitable. Employer defined contribution plans and other tax-deferred accounts provide significant advantages when saving for retirement.
Providing retirement income	Long-term	A structured income plan and balanced investment portfolio to help make sure you don't spend money too fast or take too much risk over the course of your retirement is essential. Disciplined withdrawal strategies and guaranteed income sources can assist with this.
Transferring wealth/ estate planning	Long-term	At this phase of life, planning for the orderly distribution of your estate to heirs and minimizing tax burdens by taking advantage of estate planning strategies will be a high priority.

THE FINANCIAL PLANNING PROCESS

HOW A DISCIPLINED ADVISORY PROCESS CAN HELP YOU DEVELOP A FINANCIAL PLAN

At Raymond James, we emphasize the importance of counseling, identifying your needs and concerns, and building a customized financial plan designed to meet your specific objectives. Developing your plan requires a solid understanding of your goals, investment experience, risk tolerance and much more.

Your advisor can help break down the financial planning process into the following steps:



Understand your needs

Your financial advisor typically begins by getting to know you and your family while gathering information about your current circumstances, your future goals, your concerns and your aspirations. During this phase, too, you and your advisor can discuss the strategies and services available to help solve the specific financial challenges you face.

Design a comprehensive plan

Depending on your circumstances, your plan may focus on a single objective or a more complex strategy. Your plan could be as singular as saving for retirement or a child's education, monetizing a concentrated equity position, or establishing a trust to benefit a child with special needs. But, perhaps, you may require a complex strategy that includes help with positioning and selling your business, then deploying the proceeds, together with other investable assets, to deliver the income you need to retire comfortably. Or you may be in need of multiple solutions: not only selling your business and developing an effective plan for retirement, but establishing a charitable trust to fund your philanthropic desires.

Implement the plan

In this phase, the planning is put into motion while collaborating with other relevant professionals as needed – whether Raymond James specialists or your current attorney or CPA. The plan is based on your goals uncovered in previous steps of the advisory process and factors in your investment horizon, as well as the types and levels of risk that you can afford and with which you're comfortable.

Manage the plan once it's in place

Financial planning is an ongoing process in which it's essential to monitor the progress of your investments within the context of your goals and periodically review all relevant information. It may become necessary to adjust the particular components of your plan in light of changing circumstances and evolving objectives. Should economic and financial circumstances warrant, your advisor may also recommend tactical changes to your portfolio – while still adhering to your long-term goals.

LAYING THE FOUNDATION

GROWING YOUR ASSETS

MAKING THE TRANSITION

SPENDING YOUR MONEY WISELY

LOOKING TO THE FUTURE

LIFETIME PLANNING STAGES

Life is a long journey. Each new stage presents both financial challenges and opportunities. The key is to identify your needs, objectives and resources and understand what to expect during each phase of your life. The following steps can help guide you through this process as you develop, tweak and monitor a financial plan throughout your lifetime.

LAYING THE FOUNDATION

In order to lay the foundation for your financial future, you'll need to balance your priorities and create a plan. The earlier you start, the better your chance of building a solid financial foundation that can grow with you and support your near-term needs and long-term goals. Over time, small but disciplined contributions to an investment account can help you meet your goals – plus establish a lifetime habit of saving.

And it's never too late to start. You may have been saving and investing for years without a formal strategy, but there's no time like the present to pull it all together into a structured financial plan.

Saving

It's important to maintain an appropriate balance between spending and saving. Create a budget in which you spend less than you earn. Identify your more immediate needs, such as housing and utilities, and prioritize your wants, such as taking a vacation, buying a car or starting a family. Allocate a portion of your budget toward both short- and long-term goals.

Equally important is managing and eliminating debt. If you have debt, you should develop a plan to systematically pay it down and avoid accruing new debt.

Emergency cash

You should always keep some portion of your money as cash or cash alternatives in liquid investments like savings, checking and money market accounts. Many financial experts recommend that you hold approximately three to six months' worth of living expenses in cash and highly liquid investments.

GROWING YOUR ASSETS

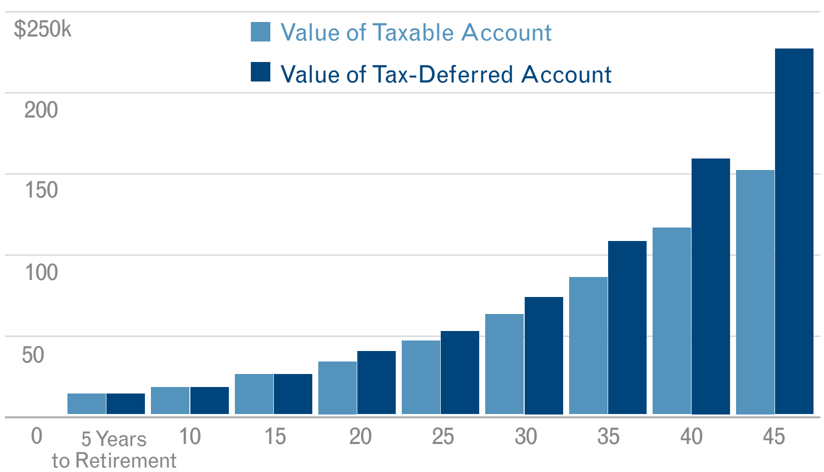
Once you have a financial plan in place, you can focus on accumulating assets to support yourself, your family, your career and your future. You'll likely be forced to manage competing needs and goals by prioritizing and planning accordingly, considering the relationship between your current lifestyle choices versus future needs.

Investing

Select investments best suited to your needs, constraints, obligations and goals. To mitigate volatility within your portfolio, develop a diversified asset allocation strategy designed to meet your financial goals yet reflect your tolerance for risk. Identify risks and purchase appropriate insurance where needed, such as renter/homeowner, health, life and disability policies.

When planning for retirement, start early and take advantage of the power of compounding interest, particularly in tax-advantaged accounts such as an employer 401(k) plan. Factor in retirement, medical, life and disability benefits with your overall planning. When planning for college, evaluate all education funding options that both you and your child can take advantage of, from savings plans to scholarships.

POWER OF COMPOUNDING OVER TIME: TAXABLE VS. TAX-DEFERRED ACCOUNTS
BENEFITS OF DEFERRING TAXES*



*Past performance is no guarantee of future results. An investment cannot be made directly in an index. Hypothetical value of $10,000 invested in stocks. This example is for an investor in the 28% bracket using the 2011 tax code. Assumes an 8% annual total return. Estimates are not guaranteed. This is for illustrative purposes only and not indicative of any investment. Created by Raymond James using Ibbotson Presentation Materials. © 2012 Morningstar. All Rights Reserved. 3/1/2012

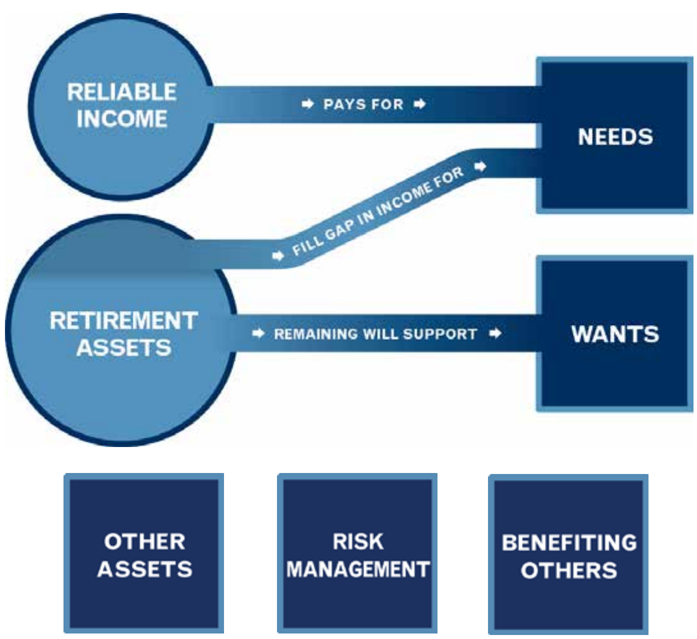
MAKING THE TRANSITION

As you move closer to retirement, your priorities will shift again and new concerns may arise. Your planning should shift as well, from accumulation to distribution. Now's the time to begin developing a sensible plan for how you'll spend money in retirement and how to generate income in the years ahead.

Transition strategies may include maxing out retirement contributions, considering rollover options and creating strategies for distribution. Prepare to transition into retirement by estimating when you expect to retire, and map out your "exit strategy" well in advance of that date. Learn more about government benefits such as Social Security and Medicare to help ensure you receive the most from them, and integrate them into your overall retirement income plan. Other factors you should consider as you transition toward retirement include:

- Caring for an elderly parent
- Assisting adult children
- Consolidating your investments and other financial accounts wherever possible to build a simplified process for managing cash flow
- Planning for healthcare, Medicare, long-term care and emergency expenses in your overall financial plan
- Drawing up a will and incapacity documents; discussing your wishes for estate distribution and charitable giving

UNDERSTANDING HOW THE KEY ELEMENTS OF YOUR FINANCIAL PICTURE WORK TOGETHER IS THE FIRST STEP IN CREATING A PERSONALIZED RETIREMENT INCOME PLAN.



SPENDING YOUR MONEY WISELY

Take the time to lay out a solid plan for how you will spend your retirement. You will find that in order to achieve goals and conserve resources, you will have to manage both your spending and the preservation of assets you have accumulated. It is important to identify and plan for key unknowns, such as the potential need for long-term care. Retirement is also the time to shift your portfolio strategy from one focused on generating returns to one designed to provide consistent income and preserve wealth while keeping pace with inflation.

Develop and stick to a sustainable spending policy that differentiates your needs from your wants and is designed to make your money last throughout retirement.

Conserving

Many investors, particularly retirees, invest primarily to achieve a steady income that can keep up with, or exceed, cost-of-living increases. Equity investments designed for this objective may help people on fixed incomes obtain potentially steady cash flow via dividends while striving to offset inflation. However, stocks tend to fluctuate in value and often pose more risk than most retirees on a fixed income care to endure. That's why investments that provide steady and reliable income streams, such as fixed income* or annuities often serve as a foundation for well-diversified income portfolios.

*Subject to credit risk. A downgrade in an issuer's credit rating or other adverse news about an issuer can reduce the market value of that issuer's securities. Diversification does not ensure a profit or protect against a loss. Investments are subject to market risk, including possible loss of principal. Guarantees are based on the claims paying ability of the insurer.

LOOKING TO THE FUTURE

You can live well and make an impact through your legacy with estate planning strategies designed to help preserve assets. Collaborate with your professional advisors to develop a coordinated strategy that outlines to whom, where and how you want your assets distributed. Consider the causes you care about most and create a tax-advantaged charitable giving strategy.

Transferring

Financial planning prepares you for all of life's stages, including the decisions you make about passing along your assets to heirs. A well-constructed estate plan can help ensure that your affairs will be handled in the manner you prefer, by the person of your choice.

Estate planning techniques have dramatically changed over the past decade to meet the requirements of more complex laws. No longer is it simply a matter of distributing your assets through a will. Direct transfers to beneficiaries, revocable living trusts, insurance policies, durable powers of attorney and living wills are all instruments to help provide a more orderly distribution of your estate to your heirs.

ASSET CLASS
A collection of securities distinguished by their characteristics and performance. The three most common asset classes are equities (stocks), fixed income (bonds) and cash and cash alternatives (CDs, money market accounts, Treasury bills, etc.).

CONSUMER PRICE INDEX (CPI)
An index that acts as a measure of inflation and deflation by measuring the change in cost of a fixed basket of products and services, including housing, electricity, food and transportation. Also known as the cost of living index.

RISK TOLERANCE
The amount of risk you are comfortable with and willing to take on in your investment portfolio.

STOCK
An investment vehicle representing a share of ownership in the issuing company. Investors may participate in increases or decreases in the value of the shares and may receive any dividends paid.

FINANCIAL PLANNING CONCEPTS

DIVERSIFICATION

Diversifying the investments you hold can help mitigate the risks you face. The value of diversification is often underscored by events in the financial markets, such as sharp drops in stock prices. Every type of investment responds differently to changes in the economy. So if you own a variety of assets, a decline in one can potentially be balanced by stability or increased value in another. Bear in mind, however, that diversification does not ensure a profit or protect against a loss. Nevertheless, it can help as you work toward achieving your financial goals.

ASSET ALLOCATION

Asset allocation is a long-term strategy designed to help investors achieve their financial goals without assuming undue risk. It's based on the premise that various types of investments have different characteristics that often prompt them to respond differently to economic and financial developments.

Higher risk assets such as common stocks are options to consider in a long-term financial plan, however, they will fluctuate in value and expose your portfolio to more risk. Fixed income investments, by contrast, are considered less risky but tend to provide more conservative returns. Securities such as federally tax-free[1] municipal bonds, high-grade corporate bonds, preferred stocks and public utility stocks generally offer the advantage of regular interest or dividend payments, but relatively lower growth on your original investment. Recognize, however, that asset allocation does not ensure a profit or protect against a loss.

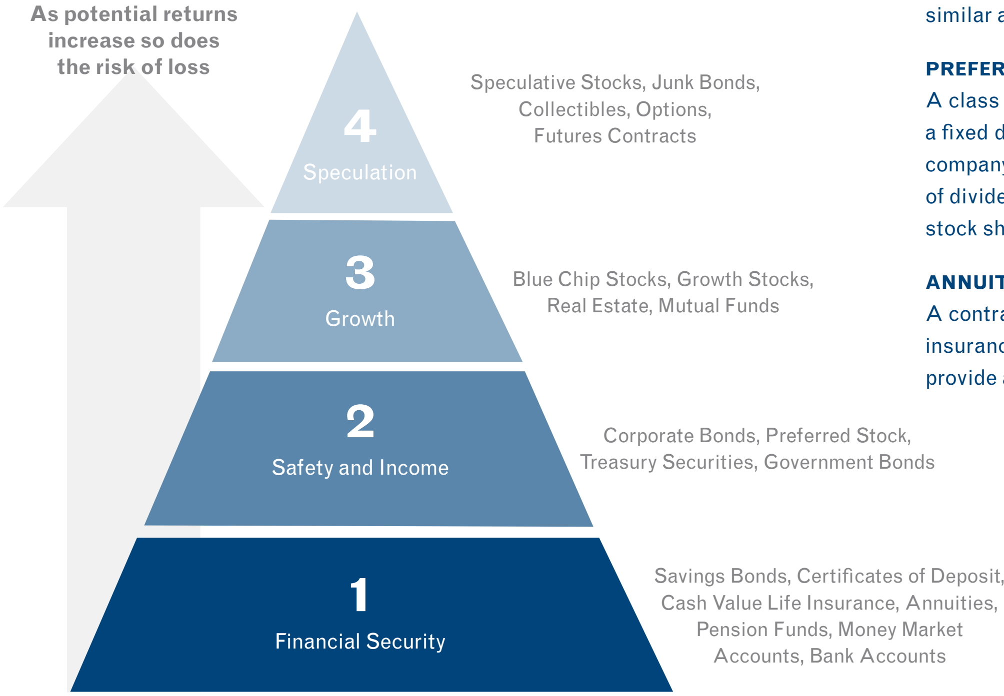
It is important to discuss your total financial picture – including securities in other accounts, real property, collectibles and other assets – with your financial advisor when developing a financial plan. This is to ensure that your total asset allocation is appropriate to meet your objectives and tolerance for risk.

[1]Income is not subject to federal income taxation; however, it may be subject to state and local taxes and, for certain investors, to the Alternative Minimum Tax.

THE RISK PLANNING SPECTRUM

Generally, the rule of thumb is that the greater the risk assumed, the greater the potential return on that investment. One of the best ways to potentially lower a portfolio's risk and still potentially earn attractive returns is by diversifying investments across the spectrum of asset classes, as represented in the sample risk pyramid below.

INVESTMENT RISK SPECTRUM



OPTIONS
Contracts that offer the buyer the right, but not the obligation, to buy or sell a security at a set price by a certain period of time.

MUTUAL FUNDS
A professionally managed pool of funds from many investors that offers diversification and professional management by investing in securities such as stocks, bonds, money market instruments and similar assets.

PREFERRED STOCK
A class of stock that generally pays a fixed dividend with a claim on the company's earnings before payment of dividends may be made to common stock shareholders.

ANNUITIES
A contract purchased from an insurance company designed to provide a stream of income.

Options involve risk and are not suitable for all investors. When appropriate, options should comprise a modest portion of an investor's portfolio. Prior to buying or selling an option, a person must receive a copy of "Characteristics and Risks of Standardized Options" also known as the options disclosure document (ODD). Copies of the ODD are available from your financial advisor, from cboedirect.com/Resources/Intro.aspx or by contacting Raymond James at 880 Carillon Parkway, St. Petersburg, FL 33716. The information in this document is provided solely for general education and information purposes and, therefore, should not be considered a complete description of listed options. No statement within this document should be construed as a recommendation to buy or sell a security or to provide investment advice. Please consult a tax advisor for the tax implications involved in the use of options.

Supporting documentation for any claims (including any claims made on behalf of options programs or the options expertise of sales persons), comparisons, recommendations, statistics, or other technical data, will be supplied upon request.

Investors should consider the investment objectives, risks, charges and expenses of an investment company carefully before investing. The prospectus contains this and other information and should be read carefully before investing.

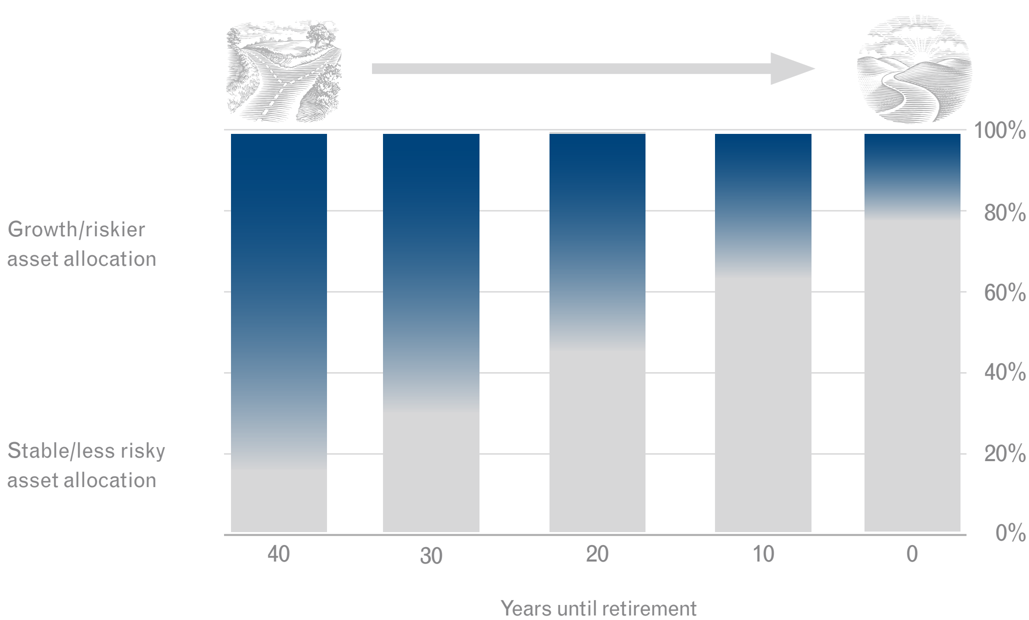
Annuity guarantees are subject to the claims-paying ability of the insurer.

TIME HORIZON

As a general rule, the longer time you have to invest, the greater the risk exposure you may wish to undertake. For example, someone who is just starting out in a career may have a longer time ahead of them and can use the power of compounding effectively to accumulate significant potential wealth through regular, disciplined, automatic investing. Through careful planning, this person may be willing to assume greater investment risk as a trade-off for potentially higher returns given the longer time frame available to offset potential losses.

On the other hand, for someone nearing the end of a career and approaching retirement, less risky investments are often the preferred choice. This person may have more savings accumulated and be more interested in preserving assets than growing them, due to less time to recover from possible losses. This is why it's critical to match your asset allocation with your investment timeline – and make changes to your allocation strategy as you enter different phases of life.

TIME HORIZON: BALANCING RISK OVER TIME



Creating a financial plan is important to help you meet multiple needs over time. That way you don't have to start from scratch each time you have a new goal, such as saving for a wedding, paying for college, buying a home or providing for your retirement.

MUNICIPAL BOND

A bond issued by a state or a political subdivision, such as a county, city, town or village. The term also designates bonds issued by state agencies and authorities. In general, interest paid on municipal bonds is exempt from federal income taxes and, in various cases, state and local taxes within the state of issue. However, some municipal bond interest may be subject to the Alternative Minimum Tax (AMT).

TAX PLANNING

After choosing your asset allocation, it is important to consider whether to place assets in a taxable or tax-deferred account. After all, what you actually keep after taxes is what matters now.

A taxable account , such as a stock portfolio, is where you place contributions for which you have already paid income taxes. A tax-deferred account, such as a 401(k) or IRA by contrast, enables you to contribute money on which you have not paid income taxes. Tax-deferred accounts enable your money to grow faster without the burden of annual taxes on contributions or capital gains. Be aware, however, that you will have to pay taxes on the money once it is withdrawn from the account. Tax-deferred accounts are preferable for retirement savings investments because you are more likely to be retired – and in a lower income tax bracket – when you withdraw the money.

You may also utilize strategies to minimize your tax burden even in a taxable account. For example, a stock index fund that tracks the S&P 500* likely will have lower turnover than an actively managed fund with higher turnover among securities. Bonds tend to distribute a significant amount of their return annually as interest, which is taxed as ordinary income.

*An unmanaged index of 500 widely held stocks that's generally considered representative of the U.S. stock market.

MONITORING AND REBALANCING

It's not enough to just establish an asset allocation strategy designed to meet your financial goals. You must then execute and monitor your allocations, making periodic adjustments or rebalancing assets to retain the original allocation percentages. Market conditions have been known to grow some assets substantially while reducing others. It's important to review your investment portfolio with your advisor on a regular basis to ensure it is aligned with your risk tolerance and on track to meet your financial objectives.

Dollar cost averaging

One strategy for attempting to overcome emotional investing is dollar-cost averaging – investing equal dollar amounts at regular intervals of time. This is a very disciplined approach. The typical assumption with dollar-cost-averaging is that more shares will be purchased when the investment's price is low, and fewer shares will be purchased when the price is high.

The chart shown below is a hypothetical example of dollar-cost-averaging in which $200 is invested each month for a year in an individual stock. By investing steadily, an investor can reduce the temptation to try to "time the markets" and risk poor timing due to emotional decision-making.

Dollar-cost-averaging does not ensure a profit or protect you against a loss in declining markets. In fact, since such a plan involves continuous investment in securities regardless of fluctuating price levels of such securities, you should consider your financial ability to continue purchases through periods of low price levels. But because it's a long-term strategy, you should be prepared to stay the course during periods of low prices, as well as high.

REBALANCING
The act of selling shares and reinvesting the proceeds in other assets to re-align your portfolio with its target asset allocation.

PURCHASE VARYING NUMBERS OF SHARES WITH THE SAME AMOUNT OF MONEY OVER TIME

Monthly Investment		Price Per Share	Number of Shares Purchased*
January	$200	$10	20.00
February	200	11	18.18
March	200	12	16.67
April	200	14	14.29
May	200	11	18.18
June	200	10	20.00
July	200	9	22.22
August	200	9	22.22
September	200	8	25.00
October	200	6	33.33
November	200	8	25.00
December	200	10	20.00

*Rounded to two decimals. This table is for illustrative purposes only and does not represent a particular investment through Raymond James. Past performance does not guarantee future results. Investing involves risks, and you may incur a profit or a loss.

QUESTIONS TO ASK
A POTENTIAL ADVISOR

How long have you been working as an advisor?

Will you work with other professionals assisting me, such as my accountant and lawyer?

What are your educational and professional certification qualifications?

How do you get paid?

How often and by what means do you communicate with clients?

How will I be able to monitor my plan and track investment performance?

CHOOSING A FINANCIAL ADVISOR

Selecting your financial advisor is as personal a decision as choosing a doctor. After all, sharing where your money is invested, how much you save and the ways you spend discretionary assets can reveal a lot about your values. With an advisor, you should feel at ease sharing information you may not share with friends or family. Furthermore, you need to feel you can trust your financial advisor because it's important that you're comfortable taking her or his advice – which is also something you may not do with family and friends.

One area that's important to discuss with a potential advisor is how he or she is compensated for the time spent working with you. Many advisors who specialize in financial planning work on a fee basis (wherein you pay a fixed annual fee or hourly rate). Other ways advisors are compensated include charging a percentage of assets under their management or by commissions paid on certain transactions.

WHAT TO EXPECT

Your financial advisor can help you define specific financial goals by reviewing your personal situation in depth, considering your income, assets and liabilities, current portfolio, risk tolerance and time horizon. He or she should be able to offer you a wide variety of flexible account options, including traditional investment accounts or a variety of fee-based alternatives. For the account(s) you select, you should also have a broad choice of investment options and services, such as stocks, bonds, mutual funds, CDs, insurance and annuities, as well as retirement, education, tax, estate planning, trust, asset management and banking services.

Financial advisors also may provide you with access to timely market data, research reports, and other economic and financial information. Your advisor should not only help forecast scenarios using financial planning software, but also keep you regularly updated on your progress toward goals, market and economic updates, etc.

Finally, it's important that your entire advisory team works together so each expert understands his or her role within your overall financial picture. Your financial advisor should be willing to work with your other professional consultants, such as attorneys and tax specialists, to help coordinate all areas of your financial life. You should expect to meet with your advisor regularly to evaluate the performance of your investments and ensure they remain aligned with your goals.

TIPS TO MAKING THE MOST OF FINANCIAL PLANNING WITH AN ADVISOR

Be honest and provide complete information about your overall financial situation so your advisor can provide the most appropriate recommendations.

Communicate frequently and openly about your current needs and future goals, as well as any reservations or concerns you may have. Ask questions and become involved.

Carefully review any documentation that precedes and/or follows your investment selections.

Read recommended investment literature provided by your advisor and strive to understand each investment's fundamentals, risks, potential rewards and costs.

Always keep an accessible record of your financial transactions.

Maintain realistic expectations for your investments.

Be receptive but cautious about new investment ideas. Evaluate them carefully.

Be sure to update your financial advisor of changes in your life that may affect your financial situation.

A LIFETIME PARTNERSHIP

A successful journey through life requires hard work, sound decision-making and financial strength. In the years ahead, you'll uncover new opportunities and face fresh challenges – and we'll be here to help manage your financial plan throughout your lifetime.

To start working on your financial plan, contact a Raymond James advisor to guide you through the steps outlined in this brochure.

LIFE WELL PLANNED.

RAYMOND JAMES®

INTERNATIONAL HEADQUARTERS: THE RAYMOND JAMES FINANCIAL CENTER

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